

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	HB 204
Fiscal Note Number:	4
(H) Publish Date:	1/21/2020

Identifier: 3993-EED-PK-1-17-20  
Title: EARLY ED PROGRAMS/FUNDING  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Education and Early Development  
Appropriation: Education Support and Administrative Services  
Allocation: Pre-Kindergarten Grants  
OMB Component Number: 3028

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	1,724.1		4,305.5	6,887.0	7,744.3	8,606.3	10,330.4
Miscellaneous							
<b>Total Operating</b>	<b>1,724.1</b>	<b>0.0</b>	<b>4,305.5</b>	<b>6,887.0</b>	<b>7,744.3</b>	<b>8,606.3</b>	<b>10,330.4</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	1,724.1		4,305.5	6,887.0	7,744.3	8,606.3	10,330.4
<b>Total</b>	<b>1,724.1</b>	<b>0.0</b>	<b>4,305.5</b>	<b>6,887.0</b>	<b>7,744.3</b>	<b>8,606.3</b>	<b>10,330.4</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 03/31/21

## Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Agency: Office of Management and Budget

Phone: (907)465-2875  
Date: 01/16/2020 02:15 PM  
Date: 01/16/20

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION

## Analysis

This bill creates three new programs: an early education program, a school improvement literacy program, and a comprehensive reading intervention program. **This fiscal note addresses the early education program.**

The early education program, created under AS 14.03.135, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and Early Development, then those programs may be eligible for 1/2 the full-time equivalent for average daily membership (ADM) funding under AS 14.17.410. Foundation funding would only be provided to those districts that are not already being funded by another state or federal program.

**Page 3 of this fiscal note provides the funding breakdown by fiscal year for the three-year grant program.**

**Costs associated with the operation of the early education program grants are reflected in the Early Learning Coordination fiscal note.**

The effective date of this bill is July 1, 2020 (FY2021).

**Department of Education & Early Development**  
Prepared 1/16/2020

Current Number of Districts operating a Pre-Kindergarten program	26
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(26 districts registered in 2019-20)	
4 year old cohort*	10,000
Current District reported Pre-K Served*	3,590
Head Start*	1,580
Number students served by this legislation	3,675
	8,845
Percent of 4 year old students served*	88.45%
* estimated	
<b>Foundation Component / Public Education Fund</b>	
1/12 the average per student cost =	\$ 4,685.00

District Cohort	Fiscal Year	District Performance	Number of Students
1	2021	lowest 10%	368
2	2022	2nd lowest 15%	551
3	2023	3rd lowest 15%	551
4	2024	3rd highest 15%	551
5	2025	2nd highest 20%	735
6	2026	highest 25%	919
Total			3,675

3-year Early Education Grant cycle	Pre-Kindergarten Grant Component	(Table 2) Number of Students
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Year 1 - FY2021 (District Cohort 1)	368
Year 2 - FY2022 (District Cohorts 1 & 2)	919
Year 3 - FY2023 (District Cohorts 1, 2, 3)	1,470
Year 4 - FY2024 (District Cohorts 2, 3, 4)	1,653
Year 5 - FY2025 (District Cohorts 3, 4, 5)	1,837
Year 6 - FY2026 (District Cohorts 4, 5, 6)	2,205
Year 7 - FY2027 (District Cohorts 5 & 6)	1,654
Year 8 - FY2028 (District Cohort 6)	919

1/2 the average per student cost = \$4,685

Moved to ADM Number of Students

Year 1 FY2021 grant program- students served	FY2024	368
Year 2 FY2022 grant program- students served	FY2025	919
Year 3 FY2023 grant program- students served	FY2026	1,470
Year 4 FY2024 grant program- students served	FY2027	2,021
Year 5 FY2025 grant program- students served	FY2028	2,766
Year 6 FY2026 grant program- students served	FY2029	3,675
<b>Total</b>		<b>3,675</b>

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
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FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY2027	
	FY 2023	FY 2024	FY 2025	FY 2026	FY2027	FY 2028
						FY 2029

\$1,724,080										
\$4,305,515	\$6,886,950	\$7,744,305	\$8,606,345	\$10,330,425	\$7,748,990	\$4,305,515	\$0			
(Table 4)	Moved to ADM/State Aid	\$1,724,080	\$4,305,515	\$6,886,950	\$9,468,385	\$12,911,860	\$17,217,375			
						Total ADM/State Aid	\$17,217,375			
						Total Grant	\$51,652,125			